

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7914**  
**BILL NUMBER: SB 513**

**NOTE PREPARED:** Feb 28, 2005  
**BILL AMENDED:** Feb 28, 2005

**SUBJECT:** INDOT Construction Contracts.

**FIRST AUTHOR:** Sen. Weatherwax  
**FIRST SPONSOR:**

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

**FUNDS AFFECTED:**     **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill: (1) requires the Department of Transportation (INDOT) to adopt rules to establish a formal procedure for highway improvement projects involving the relocation of utility facilities; (2) requires the rules to provide for an exchange of information among INDOT, utilities, and highway construction contractors; (3) allows a civil action to be brought against INDOT, utilities, or construction contractors for costs resulting from a willful violation of the rules; (4) allows INDOT to acquire real property for the placement or relocation of a utility facility within the right-of-way of the state highway system; (5) after June 30, 2005, prohibits INDOT from including in a construction contract or any related documents a provision prohibiting or restricting the receipt by a contractor of reasonable compensation or reasonable expenses directly related to unforeseen conditions during a construction contract as a result of: (A) conflicts with utility facilities; or (B) delays due to utility facility relocations; (6) requires INDOT to revise its standard construction specifications, drawings, and other documents to eliminate any prohibition or restriction on such compensation.

**Effective Date:** Upon passage; July 1, 2005.

**Explanation of State Expenditures:** (Revised) *Parts 1 and 2* will have no fiscal impact on the INDOT.

*Part 3* potentially could add to INDOT expenditures if they are found in willful violation of the rules established in *Parts 1 and 2*. The fund affected is the State Highway Fund.

*Part 4* is indeterminable.

*Part 5* will shift expenditures from the contractors to the INDOT for any unforeseen work or additional

expenses incurred during a project as a result of unforeseen conflicts with utility facilities or delays in utility facility relocations. The fund affected is the State Highway Fund. The INDOT will compensate a contractor for time. That is, if there is a delay caused by a utility facility relocation, the INDOT will allow the time needed to complete the contract. Under current procedures, for the most part, the INDOT does not compensate with money.

There are two special contracts under which the INDOT does compensate with money. These contracts are:(1) SR 32 and I-65; and (2) U.S. 421 near Logansport.

*Part 6* puts into place the components of Part 5.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Transportation.

**Local Agencies Affected:**

**Information Sources:** Rick Smutzer, Chief Engineer, Department of Transportation, 317-232-5529.

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